

ANNUAL REPORT

**PUBLIC SERVICE
COMMISSION**

JULY 1, 1955 -- JUNE 30, 1956



LETTER OF TRANSMITTAL

To His Excellency, Phil M. Donnelly,
Governor of Missouri.

Dear Sir:

Pursuant to Section 386.380, R. S. Mo. 1949, we have the honor to submit herewith the Annual Report of the Public Service Commission of the State of Missouri, which said report contains a full and complete account of its transactions and proceedings for the period from July 1, 1955, to June 30, 1956, inclusive.

Respectfully submitted,

By Thos. W. Burton
Chairman

Charles L. Hanson
Commissioner

E. M. Chistock
Commissioner

L. O. Donald
Commissioner

William Barton
Commissioner

MISSOURI PUBLIC SERVICE COMMISSION

TYRE W. BURTON, Chairman Fayette
CHARLES L. HENSON, Commissioner Springfield
E. L. McCLINTOCK, Commissioner Cape Girardeau
D. D. McDONALD, Commissioner Jefferson City
WILLIAM BARTON, Commissioner Jonesburg

MARVIN P. MOORE, Secretary Fulton
GLENN D. EVANS, General Counsel Macon
R. E. DUFFY, Chief Engineer Greenfield
JAMES M. ENGLAND, Chief Accountant Cape Girardeau
GEORGE G. FOX, Chief Rate Expert Springfield
CARLE R. NEWBERRY, Supervisor of Motor Bus and Truck
Department Jefferson City

HEADQUARTERS AND PERSONNEL

The headquarters of the Public Service Commission are located on the 9th and 10th Floors of the Jefferson Building, corner of Jefferson Street and Capitol Avenue, Jefferson City, Missouri.

The Commission has succeeded in its determined effort to eliminate delay and make its docket entirely current. Unless the case be one in the nature of a complete audit and appraisal of a utility, or one which requires a great deal of field work, or is awaiting the filing of briefs, it can be heard and the report and order issued within less than thirty days after the case is filed.

In very urgent matters, where proper waivers on notices of hearing are filed, the case can be filed, heard, and the report and order issued on the same date.

The employees of the Commission are all specially trained for the position which they now hold. Some have been with the Commission for a considerable number of years and several have attained statewide and nationwide recognition in their fields of work.

LEGAL DEPARTMENT

PERSONNEL

During the past fiscal year from July 1, 1955 to June 30, 1956, personnel of the Legal Department has consisted of the General Counsel, Assistant General Counsel, two Staff Attorneys, one of whom is also the Reporter of Opinions, and three legal stenographer-secretaries.

DUTIES AND WORK

The work of the Department during the past fiscal year has followed along generally established lines, conferring with the Commissioners and the technical staff and advising them upon the legal problems that arise in the daily routine of work. The General Counsel, with his assistants, has discharged the duties imposed upon him by the Missouri law requiring that he give opinions and advice to the public as to their rights under the Missouri Public Service Commission law and the legal methods and procedures pertaining to the same. Numerous individuals or their attorneys, as well as various public officials, have conferred with members of the Department and have been given advice and opinions, oral and written, with respect to the matters within the scope of its prescribed functions. A considerable volume of correspondence directed to the Commission

is referred to the General Counsel for reply.

The Department has continued to work with other agencies and departments of the State government. Various problems concerning the enforcement of the Bus and Truck Act by the State Highway Patrol have arisen during the past year and advice and opinions concerning these matters have been given to the Patrol.

On a number of occasions, members of the Department have accompanied inspectors from the Bus and Truck Department of the Commission to various weight stations over the State when safety inspections and compliance check-ups were made. Legal questions frequently arise on such occasions and the presence of a member of the Legal Department at the point of inspection facilitates prompt disposition. Acting upon orders from the Commission, following hearings on citations against motor carriers, penalty suits have been instituted in Circuit Court and penalties collected for violations of the Bus and Truck Act and Commission Orders. Funds collected go to the public school fund, by statute.

Considerable attention has been given to the problem of licensing motor vehicles operated in interstate commerce by nonresidents of the State, and the Department has cooperated with the Director of Revenue and the Supervisor of Motor Vehicle Registration in these matters. The existing reciprocity contracts between Missouri and other States have been reviewed and

conferences held in some instances with officials of other States in order to revise and keep up-to-date such reciprocity contracts.

The Legal Department of the Commission has appeared in all rate and valuation cases heard by the Commission, as is required by statute. In such cases, the Department in cooperation with the Commission's technical staff has presented to the Commission all available facts and information which it believed to be in the public interest. Members of the Department have actively participated in other cases where an interest of public concern was involved.

In addition to the foregoing, the staff attorneys have assisted the Commission by acting as hearing examiners. These individuals have heard many cases during the past year, which has helped the Commission dispose of the cases on its crowded docket in a prompt and an orderly manner. In addition to presiding at the hearing, the examiners prepare suggested reports and orders which are submitted to the Commission for consideration, the Commission making such changes in the proposed orders as it finds to be necessary.

Members of the Department have appeared in all cases in the courts of this State and the United States in which the Commission had an interest. These cases included litigation which arose in the courts in the first instance and cases which originated before the Commission and were reviewed by circuit

and appellate courts of the State. The Department has presented to the courts the Commission's views with respect to the issues involved, and it has vigorously prosecuted such litigation to its final conclusion. In addition to appearing in the State and Federal courts on behalf of the Commission and the general public in matters within the scope of this Commission's jurisdiction, members of the Department have represented the Commission at various hearings before the Federal Power Commission and the Interstate Commerce Commission. The purpose of such appearances was to protect the interests of the utility consuming public of this State. These cases have involved many issues, e.g., gas rates, transportation rates, allocations of gas for particular communities, etc.

Among the important duties of the Commission requiring considerable time of the members of the Department is the representation of the State on joint boards created by the Interstate Commerce Commission pursuant to the provisions of the Federal Motor Carriers Act. The function of the joint board is to hear applications for certificates of convenience and necessity and permits to operate as motor carriers in interstate commerce and to recommend to the Interstate Commerce Commission the action to be taken thereon. Hearings by joint boards in which this Department has participated have been held at St. Louis, Kansas City, Chicago, Des Moines, Little Rock and Springfield. (Illinois.)

ACCOUNTING DEPARTMENT

The Department is delegated with the responsibility of assisting the Commission in matters regarding valuations of utility properties for rate making purposes, security issues, reorganizations, consolidations, and property acquisitions by operating utilities. It is represented and presents evidences at hearings in which these matters are involved. It also conducts audits and investigations of various public utilities, in order to develop and present information which will enable the Commission to be informed of the actual conditions when passing upon a case involving any of the matters previously mentioned.

Other duties consist of the supervision of the accounting of all utilities in the state, which are subject to the jurisdiction of the Commission, including annual reports from each utility of its operations, which are filed in the department as a public record. The department also assists in the preparation of the budget each biennium and maintains current records of the expenditures, and periodically advises the Commission as to the current status of each appropriation. In addition, by the application of Section 386.370 of the Public Service Commission Law, which sets forth the method of assessing various classes of public utility companies by the Commission for the expenses incurred each fiscal year attributable to the exercise

of regulatory power, the department has been directed by the Commission to calculate the exact amount of the assessment against each public utility company, in accordance with the provisions of the Act.

Personnel

The personnel of the Department at June 30, 1956, consists of the Chief Accountant, eleven Accountants, and two senior Stenographers.

Audit and Special Studies.

With the exception of the Chief Accountant and the general office staff, the remaining personnel of the Department perform their duties in the field, auditing the books and records of the various utility companies. The purpose of these audits is to determine the original cost of utility property, operating revenues and expenses and net operating income applicable thereto, and the utility's capitalization, for the use of the Commission in any valuation or rate case which may be before it, and for any other purpose which the Commission might deem proper under the circumstances. Special studies are also made from time to time by members of the Department for the purpose of inquiring as to the adequacy, or inadequacy, of the net operating income of the utility under review, based on its existing rate base.

During the fiscal year the largest and most important

cases in which the Department was involved were: The St. Louis Public Service Company, St. Joseph Water Company, Springfield City Water Company, The Gas Service Company, St. Louis County Water Company, Missouri Public Service Company and Western Light and Telephone Company. Involved in the above cases were the determination of original cost and the examination of operating revenues and expenses.

The following is a list of the audits and investigations in which this Department was involved during the year.

Union Electric Company of Missouri
Missouri Edison Company
Southwestern Bell Telephone Company
Parkville Water Company
Cedar Hill Water Company
Madison Telephone Company
St. Louis Public Service Company
Middle States Utilities Company of Missouri
St. Joseph Water Company
Mendon-Summer Telephone Company
Springfield City Water Company
Myrtle Telephone Company
Mirabile Telephone Company
West Lawn Telephone Company
Fordland Telephone Company
The Gas Service Company
Galena Telephone Company
Indian Grove Telephone Company
Forest Green Telephone Company
Jamestown Telephone Company
LaBelle Telephone Company
Watson Telephone Company
New London Telephone Company
Potosi Telephone Company
St. Louis County Water Company
Missouri Public Service Company
Western Light & Telephone Company, Inc.
Doniphan Telephone Company

Triangle Telephone Company
St. James Telephone Company
Twin Lakes Telephone Company
Warrensburg & Pertle Springs Water Works Corporation

Also, during the year the Commission received numerous applications from independent telephone companies asking for authority to increase their charges for telephone service, largely because of the increased costs of operation. In order to expedite the many applications for increase in telephone rates, four of our field accountants have been assigned to audit and make an investigation of the books and records of the telephone companies and report the findings to this Department so that prompt action may be taken; also, many requests were received from telephone companies for assistance in setting up their books and records, and assistance in the preparation of their annual report to this Commission. These requests have been and are being complied with at a rapid rate. Audits and investigations were completed during the fiscal year of a number of these independent telephone companies seeking relief, and the cases have been disposed of by the Commission.

During the fiscal year the Accountant who was assigned permanently to the handling of accounting matters of bus and truck companies operating intrastate under the Commission's jurisdiction made a number of calls on various motor carriers. Upon receipt of the annual and quarterly reports of the various

motor carriers, they were immediately checked and any irregularities and omissions noted were called to the carriers attention with a request that corrected copies of the reports be filed.

During the year 1956, a total of 382 annual reports and 1,328 quarterly reports were filed by the various motor carriers. While the duties performed by this accountant are not entirely in the nature of audits, he supervises the accounting methods and practices of these companies for the purpose of improving their accounting records and reports to the Commission, and to bring them in line with the Commission's requirements. Also, this accountant is available for obtaining such accounting and statistical data relative to the various motor carrier operations, as might be required by the Commission from time to time in passing upon the requests of various carrier groups for increased rates.

Other studies were made throughout the period in connection with the various problems which arose, and which required more information than was in the offices of the Commission.

Security Issues

During the fiscal year the amount of security issues authorized was \$166,172,006.57 or an increase of 3.21% over the amount authorized in the preceeding fiscal year. Of this amount \$5,279,000 was for the purpose of refunding outstanding secu-

rities and \$160,893,006.57 was for new money obtained for the acquisition, construction, completion, extension and improvement of the services of the various utility companies. The amount of refunding issues showed a decrease of 78.74% under the amount authorized in the previous fiscal year and the new money authorized showed an increase of 15.47% for the same period.

As previously stated there were relatively few refunding authorizations issued. The increase in the authorization for new money seems to indicate that the demand for increased utility service still exists. The increase or availability of materials also allowed companies to proceed during the year in the completion of long delayed construction projects requiring additional capital.

The fact that Missouri public utility companies were able to obtain their capital requirements during the past year reflects to some degree the sound financial condition of these companies and their good credit rating. This is further justification for the continuance by the Commission of its policy of careful scrutiny of all proposed security issues, with the view to improving corporate structures and to increasing the margin of safety to investors.

The following table shows the securities authorized during the period from July 1, 1955 to June 30, 1956 inclusive:

SECURITIES AUTHORIZED JULY 1, 1955 to JUNE 30, 1956

<u>DATE OF AUTHORITY</u>	<u>CASE NO.</u>	<u>COMPANY</u>	<u>KIND OF SECURITIES</u>	<u>REFUNDING</u>	<u>TOTAL VALUE</u>
July 6, 1955	13,153	Southwest City Telephone Company	Note	\$	\$ 6,900.00
July 7, 1955	13,128	Galena Telephone Company	Note		5,000.00
July 8, 1955	13,042	Northeast Missouri Rural Telephone Company	Notes		700,000.00
July 8, 1955	13,042	Northeast Missouri Rural Telephone Company	Common Stock		15,000.00
July 8, 1955	13,042	Northeast Missouri Rural Telephone Company	Preferred Stock		60,000.00
July 20, 1955	13,100	Urbana Telephone Company, Inc.	Common Stock		9,439.16
July 20, 1955	13,100	Urbana Telephone Company, Inc.	Preferred Stock		20,000.00
July 20, 1955	13,180	Western Union Telegraph Company	Common Stock		2,603,482.50
July 22, 1955	13,178	United Telephone Company	Common Stock		200,000.00
July 22, 1955	13,178	United Telephone Company	Bonds		750,000.00
Aug. 8, 1955	13,141	Siler & Holla Telephone Company	Notes		183,000.00
Aug. 10, 1955	13,187	Joplin Water Works Company	Bonds		700,000.00
Aug. 10, 1955	13,187	Joplin Water Works Company	Common Stock		150,000.00
Aug. 10, 1955	13,187	Joplin Water Works Company	Preferred Stock	192,000.00	500,000.00
Aug. 17, 1955	13,160	Purdy Telephone Company	Note		171,000.00
Aug. 17, 1955	13,116	Mark Twain Rural Telephone Company	Note		973,000.00
Sept. 28, 1955	13,232	Gas Service Company	Debentures	5,000,000.00	7,000,000.00
Oct. 3, 1955	13,183	LaPlata Telephone Company	Common Stock		87,034.57
Oct. 7, 1955	13,218	Grand River Mutual Telephone Company	Note		340,000.00
Oct. 13, 1955	13,234	Missouri Water Company	Preferred Stock		750,000.00
Nov. 1, 1955	13,247	Missouri Utilities Company	Bonds		1,000,000.00
Nov. 3, 1955	13,243	Missouri Water Company	Bonds		1,000,000.00
Nov. 4, 1955	13,240	LaPlata Telephone Company	Notes		150,000.00
Nov. 7, 1955	13,241	Cassville Rural Telephone Company	Notes		200,000.00
Nov. 7, 1955	13,238	Cassville Rural Telephone Company	Preferred Stock		10,000.00
Nov. 15, 1955	13,216	Northeast Missouri Rural Telephone Company	Common Stock		15,000.00
Nov. 15, 1955	13,216	Northeast Missouri Rural Telephone Company	Preferred Stock		60,000.00
Nov. 15, 1955	13,216	Northeast Missouri Rural Telephone Company	Notes		505,000.00
Nov. 23, 1955	13,204	Wright City & Jonesburg Telephone Company	Common Stock		150,000.00
Nov. 28, 1955	13,263	Southwestern Bell Telephone Company	Common Stock		80,000,000.00
Nov. 28, 1955	13,228	Warrensburg & Fertile Springs Waterworks Company	Bonds	87,000.00	270,000.00
Dec. 5, 1955	13,252	Green Hills Telephone Corporation	Note		389,000.00
Dec. 19, 1955	13,285	Capital City Telephone Company	Bonds		250,000.00
Dec. 29, 1955	13,278	Inter-County Telephone Company	Notes		435,000.00
Jan. 5, 1956	13,262	ElDorado Springs Telephone Company	Note		53,108.96
Jan. 9, 1956	13,271	Ellington Telephone Company	Note		38,000.00
Jan. 9, 1956	13,272	Ellington Telephone Company	Preferred Stock		5,000.00

Jan. 10, 1956	13,080	Cuba Telephone Company
Jan. 10, 1956	13,273	Golden City Telephone Company
Jan. 17, 1956	13,267)	
	13,268)	Stotts City Telephone Company
Feb. 2, 1956	13,306	Ironton-Arcadia Telephone Company
Feb. 3, 1956	13,293	Mid-Missouri Telephone Company
Feb. 14, 1956	13,305	Chariton-Valley Telephone Corporation
Feb. 17, 1956	13,274	Luray Telephone Exchange, Inc.
Feb. 28, 1956	13,303	Inter-County Telephone Company
Mar. 1, 1956	13,325	Laclede Gas Company
Mar. 2, 1956	13,331)	
Mar. 2, 1956	13,332)	Kingdom Telephone Company
Mar. 2, 1956	13,333)	
Mar. 2, 1956	13,333	Kingdom Telephone Company
Mar. 2, 1956	13,333	Kingdom Telephone Company
Mar. 8, 1956	13,339	Worth Mutual Telephone Company
Mar. 14, 1956	13,295	Fidelity Telephone Company
Mar. 15, 1956	13,061	A. & M. Telephone Company
Mar. 21, 1956	13,344	Stover Telephone Company
Mar. 27, 1956	13,335	Waco Telephone Company
Mar. 28, 1956	13,320	Golden City Telephone Company
Apr. 3, 1956	13,351	Wright City & Jonesburg Telephone Company
Apr. 10, 1956	13,355	Kansas City Power & Light Company
Apr. 24, 1956	13,348	Laclede Telephone Company
May 10, 1956	13,363	Kansas City Public Service Company
May 17, 1956	13,377	Springfield City Water Company
May 17, 1956	13,377	Springfield City Water Company
May 17, 1956	13,377	Springfield City Water Company
May 17, 1956	13,316	Marion Rural Telephone Company
May 17, 1956	13,316	Marion Rural Telephone Company
May 17, 1956	13,316	Marion Rural Telephone Company
May 24, 1956	13,302	Baytown Water Company
June 22, 1956	13,416	Consolidated Water Company
June 22, 1956	13,416	Consolidated Water Company
June 27, 1956	13,412	Union Electric Company of Missouri
June 29, 1956	13,426	Missouri Water Company

Note	35,500.00
Preferred Stock	35,00.00
Common Stock	5,000.00
Note	20,000.00
Note	5,700.00
Note	227,000.00
Common Stock	5,000.00
Note	265,000.00
Preferred Stock	5,066,425.00
Common Stock	16,000.00
Preferred Stock	64,000.00
Note	612,000.00
Note	6,000.00
Common Stock	41,400.00
Common Stock	20,000.00
Common Stock	16,472.38
Note	154,000.00
Note	270,000.00
Common Stock	50,000.00
Preferred Stock	12,000,000.00
Note	17,000.00
Notes	1,300,000.00
Bonds	2,500,000.00
Debentures	1,000,000.00
Common Stock	1,155,544.00
Common Stock	16,000.00
Preferred Stock	64,000.00
Note	292,000.00
Common Stock	150,000.00
Bonds	650,000.00
Common Stock	329,000.00
Bonds	40,000,000.00
Common Stock	30,000.00

\$5,279,000.00

\$166,172,006.57

Recapitulation

Common Stock	\$ 85,070,072.61
Preferred Stock	18,634,425.00
Bonds	47,120,000.00
Notes	7,347,508.96
Debentures	8,000,000.00

\$166,172,006.57

Annual Reports

Approximately 700 electric, gas, water, heating, telephone, telegraph, street railroad, railroad, sleeping car, express, and bus and truck companies filed annual reports with the Commission. These reports show each reporting utility's financial condition and operating results for the last calendar year. The reports are available for public inspection, and the information contained in them is used extensively by security holders, investment brokers, municipal and county officials and interested public utilities and individuals.

The Department uses these reports in developing rates of return and earnings for the various companies under the Commission's jurisdiction. From time to time, statistical studies pertaining to various matters under review are also developed for the use of the Commission.

Too much emphasis cannot be placed upon the importance of obtaining this required annual report from each utility regardless of its size. Each year in the past, various small utilities have been delinquent in filing and the Department has been compelled by various means to advise them of their delinquency. In spite of these efforts, there are always a few utilities from which the Department is unable to obtain a report. For the calendar year, however, our efforts culminated in the filing of reports by practically all utilities so obligated.

While the Public Service Commission Law grants the Commission the power to assess a penalty for this failure, the Commission has never exercised this power, preferring instead by less severe methods to impress upon all utilities the importance of complying with this portion of the law. We feel the results of the past year justify this course of action.

Budget and Appropriations

The Department advises the Commission periodically as to the Status of each of the appropriations under which it operates, and helps in the preparation of the budget request for each biennium. Current records are maintained in the Department recording the expenditures under the various appropriations and showing the free balance of each appropriation. All Commission expenditures are referred to the Department for the purpose of determining whether the expenditures contemplated can be made within the scope of the budget appropriation.

In accordance with the provisions of Section 386.370, Missouri Revised Statutes 1949, the Commission on June 15, 1956 entered its order in Case No. 11,110, Supplemental Order No. 9, in which it estimated the amount of its expenses for the current fiscal year payable under the provisions of this Section at \$298,372.06. After crediting the various utilities with an unexpended balance of \$30,372.06, from the preceding fiscal year, the Commission assessed each group in addition to the

said unexpended sum as follows:

(a) Railroad Corporations	\$ 40,000.00
(b) Street Railroad Corporations	10,000.00
(c) Other Common Carriers (Railway Express Company)	250.00
(d) Electric Corporations, Gas Corporations, Water Corporations, Heating Companies and Telephone Corporations	217,500.00
(e) Telegraph Corporations	250.00
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Total	\$268,000.00

The Department in the same order was directed to calculate the amount of the assessment against each public utility in each group in proportion to its gross intrastate revenues for the preceding calendar year in relationship to the total for the group. The assessments so calculated were presented to the Secretary of the Commission who was directed to notify each utility of the amount assessed and the method by which payment should be made.

Fees

During the fiscal year the fees collected exclusive of the Bus and Truck Department were as follows:

Authority Fees	\$17,562.00
Miscellaneous Earnings	4,754.59
Total	<u>\$22,316.59</u>

The fees of \$22,316.59 collected for the current

fiscal year compare with \$36,935.49 collected in the preceding fiscal year. All authority fees and miscellaneous earnings collected revert directly to the State's General Revenue Fund and are not subject to expenditures by the Commission under appropriations.

Cooperation With Other Regulatory Commissions

During the fiscal year, cooperation was maintained with the Federal Power Commission, in connection with joint problems relative to various Missouri electric utilities. The Department has also cooperated with the Securities and Exchange Commission and Rural Electrification Administration in matters of mutual interest. The department has been called upon and has furnished information to, engaged in conferences, and cooperated with personnel of the Rural Telephone Association in connection with applications for government loans for rural telephone companies.

General

In addition to the previously outlined duties, the Department is constantly called upon for assistance and information by the general public, and when not in conflict with the Commission's policy, such assistance and information is rendered. The Department also attempts to work in close cooperation with the other Departments of the Commission and many of the results which have been achieved have been the result of cooperation and assistance from these Departments.

At the close of the fiscal year, the Department was still faced with the problem of ever increasing demands for the service of its personnel. Because of the increased operating costs, various classes of utilities are constantly petitioning the Commission for authority to file increased schedules of rates. Usually in such cases, the petitioner stresses the urgency of the situation and requests immediate remedial action. The Department is attempting and will continue to make the necessary studies as rapidly as physically possible.

ENGINEERING DEPARTMENT

The work of the Engineering Department covers engineering problems coming before the Commission relating to railway, water, gas, electric, steam heating, telephone and telegraph utilities in the State. The department is made up of fourteen field and office men and three stenographers. The work covers generally valuation, including original cost and depreciation studies, the filing of tariffs, investigation of complaints and inquiries concerning utility service and railway service and safety.

Railway Service and Safety

This requires work on problems of the following character:

1. Inspection of diesel and electric properties.
2. Investigation to determine the necessity and safety of switch and side track connections.
3. All matters relating to the service offered by railroad companies at their stations.
4. Supervision of diesel and electric railway crossing protection, signal systems and interlocking plants.
5. Investigation of accidents on diesel and electric railroads.
6. Approval of plans in regard to clearances.
7. Drainage investigations.
8. Sanitation inspections.

9. Safe working conditions for employees of railroads.

The following tabulation shows the Commission's disposition of one hundred one formal cases in this field which have come before the Commission and this department for examination.

Railway Service

Discontinuance of Agency	(granted)	10
Discontinuance of Agency	(dismissed)	1
Station abandoned and building removed		4
Install caretaker		4
Discontinuance of caretaker		4
Construct Spur, Switch or Passing Track		10
Removal of Spur, Switch or Passing Track		2
Relocation of Main Line Track		1

Railway Safety

Horizontal Clearance	(granted)	2
Horizontal Clearnace	(denied)	1
Vertical Clearance	(granted)	6
Vertical Clearance	(denied)	1
Interlocking Plans	(approved)	3
Flagman abandoned		5
Additional Tracks over existing crossings		10
Flashing Lights installed at existing crossings.		28

Railway Safety-Continued

Flashing Lights and Gates installed	3
Flashing Lights and Gates dismissed	3
Flashing Lights retired	1
Flashing Lights removed and relocated	2
Manually Operated Gates retired	7
Tracks Involved - Main Line	30
Tracks Involved - Spur or Switch	19
New Grade Crossings established (no protection)	27
New Grade Crossings established (with protection)	7
Grade Crossings closed	21
Underpasses (granted)	4
Overpasses (granted)	8
Overpasses (reconstructed)	1

In the interest of safety of the railway employees and others, field inspections were made. Many of the inspections dealt with the problems that were before the Commission in formal cases and other field inspections resulted in the complaints being adjusted at the time of the inspections, thereby eliminating several formal hearings.

In the following table, we have set forth data de-

rived from the reports in the Commission's files pertaining to six hundred seventy-nine accidents that occurred on railroads in the State:

	<u>Killed</u>	<u>Injured</u>
Passengers	0	66
Employees	5	276
Trespassers	17	10
Non-trespassers	<u>38</u>	<u>96</u>
Total	60	448

Accidents (no injury) 195 Total number of accidents 679

Of the total six hundred seventy-nine accidents, eighty-four occurred at highway grade crossings. Twenty-three of the accidents were caused by vehicles on the highway running into trains, while fifty-seven of the accidents were caused by railroad trains striking vehicles. Four pedestrians were struck at crossings. Eighty-three persons were injured and thirty-five lost their lives as a result of these accidents. Twenty-seven of the eighty-four accidents occurred at protected crossings and fifty-seven at unprotected crossings.

Number Killed at Protected Crossings	17
Number Injured at Protected Crossings	27
Number Killed at Crossings not Protected	18
Number Injured at Crossings not Protected	56

Further study of the accidents reports shows the following information as set out in the following table.

TIME OF YEAR

1955	Number of Accidents	Number Killed	Number Injured
July	3	1	2
August	5	3	6
September	3	1	3
October	12	3	12
November	11	8	18
December	9	7	5
1956			
January	8	3	11
February	10	3	8
March	5	5	2
April	6	0	6
May	9	1	9
June	3	2	1
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TOTAL	84	35	83

TIME OF DAY

A. M.	NO. OF ACC.	P.M.	NO. OF ACC.
12 to 1	0	12 to 1	8
1 to 2	3	1 to 2	5
2 to 3	1	2 to 3	6
3 to 4	1	3 to 4	6
4 to 5	2	4 to 5	6
5 to 6	0	5 to 6	4
6 to 7	4	6 to 7	4
7 to 8	4	7 to 8	5
8 to 9	0	8 to 9	0
9 to 10	6	9 to 10	3
10 to 11	10	10 to 11	2
11 to 12	4	11 to 12	0
<hr/>			
TOTAL	35		49

Our records show that the number of crossing accidents has remained about the same during the past year despite the increase in the number of vehicles on the highways. Our records also show that progress has been made toward diminishing the hazard to the traveling public and employees of the railroads by the installation of flashing lights, gates, the construction of separations and the closing of hazardous crossings.

The following is a summary of accidents reported during the past five years on railroads operating in Missouri:

	<u>1951-52</u>	<u>1952-53</u>	<u>1953-54</u>	<u>1954-55</u>	<u>1955-56</u>
Total number of accidents	874	808	614	664	679
Total number of accidents-no injuries	264	243	194	192	195
Total killed	71	62	71	53	60
Total injured	596	524	544	494	448
Passengers killed	1	0	1	0	0
Passengers injured	80	58	126	93	66
Employees killed	8	4	4	1	5
Employees injured	372	326	293	290	276
Trespassers killed	23	17	22	14	17
Trespassers injured	30	21	20	12	10
Non-trespassers killed	39	41	44	38	38
Non-trespassers injured	114	119	105	99	96
Crossing accidents	97	107	84	78	84
Killed	40	38	42	36	35
Injured	108	99	87	74	83
Train struck vehicle	63	64	71	57	57
Vehicle struck train	22	33	11	13	23
Team and wagon	0	0	0	0	0
Pedestrians	12	10	2	8	4
Accidents at protected crossings	29	29	23	26	27
Accidents at crossings not protected	68	78	61	52	57
Summary of derailments and collisions reported during the past five years on railroads operating in Missouri:					
Derailments - Freight trains	149	136	118	124	119
Derailments - Passenger trains	19	13	15	13	6
Collisions - Freight trains	72	75	50	44	59
Collisions - Passenger trains	25	15	11	10	2

As in the past, members of the department, after contacting other interested parties, made field inspections of hazardous conditions at crossings and other safety violations. The railroad companies usually have a representative present when an investigation is made and corrective measures in the interest of improving conditions are frequently handled informally with the railroad company's representatives at the time of inspections, thereby eliminating numerous hazards in less time than is required when a formal case is filed. Some of these inspections are made in instances when the question involved is a matter of a formal case before the Commission. In all instances, a full report of all inspections is made.

Within the past year this department has completed a grade crossing survey, including pictures and recommendations on the Missouri Pacific Railroad Company's Pleasant Hill to Joplin line.

Water and Gas Utilities

The public utilities operating water service systems have had to continue to expand their distribution and production facilities in order to render adequate service. However, due to the extreme drought which is now in its fifth year it has been necessary for the Commission to permit a few water utilities in the State to place restrictions on the use of water for sprinkling lawns and gardens. On some water systems the increased

use of water used by conventional air conditioning units has contributed to excessive loads on the source of supply and the distribution facilities, however most of the utilities have enlarged their system equipment to meet the normal load growth and the increase due to the drought.

This department has continued to make inventories and cost studies of water properties for submitting to the Commission information to be used in the determination of the original cost of the properties, and for fixing allowances for credits to the depreciation reserve.

The solution of some of the problems relative to the utilities of the State continue to be difficult to complete. There has been a growing demand and need for both present and prospective customers for gas service. The cause of this lack of adequate service has in the first instances been due to the continual increase in the load carried by the interstate pipelines bringing natural gas into Missouri. Some of them pass through the State and supply gas in other states beyond Missouri. The owners of the interstate pipelines are continually extending and enlarging their systems but the call for the service outruns the expansion programs. Except under extreme weather conditions the major pipelines in the State are now able to supply gas to the distributing systems for use of the domestic customers now connected, but some of them are yet inadequate to supply the

full requirement needs of the distribution systems served by them.

Another cause for concern in connection with the furnishing of an adequate supply of gas has been the lower cost of natural gas for space heating in comparison with the costs resulting from the use of any other kind of fuel. The cost of coal and oil used for fuel have continually increased since 1940. Manufactured gas systems have been converted for use of natural gas. The cost of gas is now low enough that its costs is below the cost of coal or oil for space heating. That, in addition to the convenience found in the use of natural gas compared to the use of coal or oil, has and is leading the public to demand more and more gas for general use and space heating.

Certificates of convenience and necessity have been granted for the construction and operation of gas lines and distribution systems to and in additional cities in the State. It is anticipated that extension of the service to other cities and towns will be made in the near future.

The department attempts to keep informed concerning the expansion of these facilities. It makes studies of the original cost of the properties and requirements for depreciation allowance in order to assist the Commission in finding values of the properties and fixing of the rates for service.

Telephone and Telegraph

As with the other utilities, the telephone utilities throughout the state continue to find themselves facing the problem of rendering telephone service to continuing increased numbers of customers.

Utilities have been urged to provide facilities and they have made great efforts to render service but there is yet need for enlarged facilities. It is necessary to handle many complaints from persons throughout the State who desire and need telephone service but are unable to obtain it. Every effort is being made to assist in carrying on this expansion program but time and materials will be required to expand the service to present demand. Considerable effort has been made to get the telephone companies to extend the service more and more into rural areas. The companies have responded substantially to this demand for service but there is much yet to be done.

The department has been making original cost studies of many of the telephone systems throughout the State and made many inspections of systems for the purpose of informing the Commission relative to the conditions of the plants through which service has been furnished. These surveys have been required particularly because of requests for increases in rates. The telephone companies have filed many applications with the Commission to increase rates. In some instances

the Commission has refused to allow increases owing to unsatisfactory service or has allowed increases sufficient only to meet increases in wages to employees who have the work of maintaining and operating the exchanges throughout the State.

It has been found that where utilities have given first class telephone service the public has not so seriously objected to the increases in rates required to meet the operating expenses. Particularly is this true where it is found that the employees of the telephone systems have been given increases in wages. It continues to be very apparent that the public is willing to pay for high class service when furnished through a well maintained and economically operated exchange.

Many schedules containing rates, rules and regulations relating to the various services rendered throughout the State were filed by the various utilities. These were studied and checked by the department before allowing them to become effective.

At the present time there are seven cooperative telephone companies who have acquired the telephone properties in a substantial number of localities and are arranging to change over to dial operation. They will also furnish telephone service to present rural subscribers and non-subscribers in the rural section adjacent to the urban localities. Other small independent telephone companies are also changing over to dial

operation and expanding their rural facilities to include non-subscribers who desire telephone service.

Electrical and Steam Heating

The work of this department includes the preparation of appraisal reports, depreciation studies, allocation of jointly used facilities, determination of property not used in public service and analyzing and preparing original cost studies.

The work of the electrical division covers:

(a) The keeping of accurate statistical records of all privately-owned electric and steam heating utilities under the jurisdiction of the Commission.

(b) Adjustment of complaints involving electric and steam heating service.

(c) General inspection of equipment and service meters and supervision of construction practices with respect to public safety.

(d) General supervision of the quality of equipment and service of electric and steam heat utilities insofar as the public interest, public health and safety of the public and employees are concerned.

(e) Attending hearings, offering testimony and making investigations when necessary, in matters before the Commission involving certificates of convenience and necessity for construction of electric transmission lines, inductive interference

controversies, sales and purchases of utilities, and other formal matters before the Commission relating to construction and safety standards, adequacy and extensions of utility service and charges for such service.

(f) Making studies and surveys of the conditions surrounding the extensions of electric lines in order that service may be extended to rural areas throughout the State. This work has required particular attention concerning the type and safety of the line that may be adequate for rendering good service, but at the same time encouraging the construction by the use of that type of line that can be constructed at the lowest cost.

(g) Assistance in the preparation of reports and orders involving engineering problems.

(h) Introduction of testimony and assistance in examination of witnesses in all matters of utility valuation work and other engineering problems.

During the period of this report certificates of convenience and necessity were granted utilities by the Commission for the construction and operation of added facilities for extending electric service into new areas or to operate under new franchises. The department also assisted in the processing of cases relating to rates, service complaints, purchases, sales, abandonment of facilities and original cost studies.

General

In formal cases coming before the Commission relative to problems with the foregoing utilities, it is the duty of the department to have a staff member present at hearings before the Commission to assist in every way possible.

In the department handling matters relating to rates and services of the various utilities there were written and handled between two and three thousand letters. Many conferences were held. This phase of the work is handled informally by the department with the public and disposed of without having to be made a formal matter.

The department work also covers the following matters:

The keeping of an accurate record of the rates charged by all public or privately owned utilities furnishing electric, gas, water, telephone and steam heating service.

The staff handles correspondence relative to those matters and to matters relating to complaints both as to rates that should be charged for the service or unsatisfactory service. When called upon, investigation is made of the equipment, manner used in rendering service and the testing of meters through which the service is measured. The quality of the service furnished by utilities and the safety of the public in the construction, operation and maintenance are matters which are studied and investigated by the Engineering Department.

Over 1,700 new tariffs pertaining to rates and rules of the utilities were filed and processed by the Commission staff during the period covered by this report. Many conferences were participated in and letters written relative to the work handled by the department.

TRANSPORTATION RATE DEPARTMENT

General

The transportation rate department has the responsibility of assisting the Commission in its activities pertaining to the administration of the law providing for the regulation of rates, fares and services of railroads, motor carriers, street railways, express companies, and sleeping car companies. It examines all rate and fare schedules filed with the Commission by the various transportation agencies to determine the reasonableness of proposed changes in rates and fares within the State of Missouri and makes suggestions and recommendations to the Commission as to action to be taken to protect the public interest.

The personnel of the department consists of the chief rate expert, three rate experts, one service inspector, and two senior stenographers. There was no change in personnel during the past year.

The department furnishes assistance in the processing of motor carrier applications for new authorities and transfers, clarifications and consolidations of previously granted motor carrier authorities. It maintains authoritative records of the operating authorities of motor carriers rendering intrastate service between points in Missouri. Records are also main-

tained for motor carriers operating within the state in interstate commerce. The department renders general assistance to these carriers and the public in connection with rate and service problems. The department annually handles hundreds of informal complaints filed by the public or carriers. Many of the complaints require rather extensive investigation. The department also assists the Commission in the investigation of many formal complaints concerning rate and service matters of transportation agencies.

During the past year 3,812 new or amended tariff schedules naming Missouri intrastate rates, fares or other provisions pertaining to the transportation of persons or property were filed with the Commission by the railroads, express companies and sleeping car companies; 820 rate schedules were filed by the truck lines; and 276 fare schedules were filed by the bus lines. Each of these schedules was examined to determine whether its provisions appeared to be reasonable and complied with the Commission's prescribed rules of publication. During the year it was necessary to reject only 19 tariff schedules for failure to give statutory notice or for other non-compliance with the rules of publication. However, in many cases corrective action was required before the tariff publications were permitted to become effective. The department maintains a constant and heavy volume of correspondence with the carriers

and ther tariff publishing agents pertaining to the correction of objectionable tariff publication. In many cases tariff schedules were suspended from becoming effective, either upon complaint of interested parties or on the Commission's own motion, pending investigation and hearing as to the propriety of rates or charges proposed to be changed. In initiating and disposing of these investigations the department prepared 20 recommended reports and orders for consideration by the Commission.

The department maintains an extensive file of interstate tariffs of the various transportation agencies in addition to the official file of tariffs naming intrastate rates. These interstate tariffs are used extensively by the department for rate comparison purposes and the files are open to and used by other state agencies and the public generally.

The department also maintains the official file of time schedules of motor carriers of passengers. During the past year 129 new or amended time schedules were accepted for filing. Each new or amended time schedule is examined to determine what changes in service will result, whether the remaining service appears adequate to meet the public need, or whether the public interest will otherwise be adversely affected. The department handles complaints against proposed changes in time schedule and in many instances is able to

suggest changes or revisions in schedules to satisfy such complaints. Affected communities are advised of proposed service curtailments or other changes so that they can request to be heard by the Commission, in the event mutually satisfactory schedules cannot be worked out in an informal manner. In a number of instances during the past year the Commission suspended proposed changes in time schedules in order that a hearing could be held for the purpose of determining whether changes in service were in the public interest. The department participated in these proceedings and in disposing of the suspension cases drafted nine proposed orders for approval of the Commission.

The department also handles petitions from carriers and their agents for authority to establish rate and fare changes on less than statutory notice or changes in time schedules on short notice because of emergency situations or for relief from the requirements of the tariff publication rules. During the past year 229 such petitions were received and disposed of.

The department is represented at hearings before the Commission when rates, charges and services of transportation agencies are involved and in other cases when requested by the Commission. Testimony and other evidence is submitted by department personnel when it seems necessary or appropriate for proper determination by the Commission of the issues

involved. The department also prepares proposed reports and orders in connection with matters with which it is concerned for consideration and issuance by the Commission. During the past year the department drafted four proposed orders for general rail freight rate increase cases, two such orders in street railway cases, eight such orders establishing through joint rates for motor carriers, five such orders in complaint cases, two proposed orders in general investigations, and 30 proposed orders dealing with the consolidation, clarification, transfer or extensions of motor carrier authorities.

The personnel of the rate department also participates on behalf of the Commission in proceedings before the Interstate Commerce Commission involving rates from, to and between points in Missouri.

The department accumulates and compiles certain statistics of Missouri intrastate rail and motor carrier operations. It receives and analyzes various statistics prepared by other state commissions, the Interstate Commerce Commission, and various transportation associations, in order to keep abreast of transportation conditions in surrounding states and the nation as a whole.

The department has continued its work of restating bus and truck authorities to eliminate ambiguity and duplication and to facilitate the maintenance of records and pub-

lication of tariff schedules covering such authorities, although our efforts in this respect have been somewhat restricted by the press of other matters. During the year 41 operating authorities were restated in connection with applications to transfer such authorities.

The department has continued its program of personal contact with motor carriers throughout the state, which it calls "compliance surveys", and by which it is frequently able to offer suggestions and guidance for complying with the statutes and requirements of the Commission. The surveys are frequently made in conjunction with investigations of specific complaints. During the year 90 such compliance surveys or investigations were made, 34 of which were made jointly with a representative of the Interstate Commerce Commission. The department has also worked closely with the Legal Department and the Bus and Truck Department of the Commission, the Interstate Commerce Commission, and State Highway Patrol, in the investigation of numerous complaints as to unlawful transportation activities. In each investigation a written report was prepared and submitted to the Legal Department for further handling or suggestions for further investigation or when such handling did not seem warranted the report was filed for future reference. A number of the investigations resulted in court cases or formal proceedings before the Commission in which the department cooperated.

Personnel of the department assists in road checks at the Highway Patrol scalehouses located throughout the state, and many of these checks are made after regular working hours.

Railroad rates and operations

In our last report we stated that the general 15 percent increase applied as a surcharge to railroad freight charges, as authorized by the Interstate Commerce Commission on interstate traffic and by this Commission on intrastate traffic, was to expire with December 31, 1955. The 15 percent increase was first published to expire February 28, 1954, but was extended from time to time and pursuant to petitions by the railroads to make the increase a permanent part of their rate structure, the December 31, 1955, expiration date was eliminated by an order of the Interstate Commerce Commission dated October 17, 1955. The expiration date on Missouri intrastate traffic was eliminated by an order of this Commission dated November 7, 1955. These orders also permitted the increase to be added into the rate structure rather than be added as a surcharge on the freight bill.

Because of increased operating costs, particularly labor, the railroads filed tariffs that would further increase their rates and charges by seven percent to be effective February 25, 1956. The tariff proposing this increase in Missouri was suspended by order of the Commission and a hearing was held on February 7, 1956. On interstate traffic

the effective date of the tariff was voluntarily extended by the railroads to March 7, 1956, and on March 2, 1956 the Interstate Commerce Commission issued its Order in Ex Parte No. 196, Increased Freight Rates, 1956, finding that the increase proposed by the railroads was not just and reasonable but that a reasonable increase would be six percent subject to certain exceptions on specified commodities. By Order dated March 19, 1956, this Commission approved the same increases as authorized by the Interstate Commerce Commission, except it did not approve further increases on sand, gravel, crushed stone, cinders, and crude clay.

By petition dated June 8, 1956, and filed with the Interstate Commerce Commission, the Missouri railroads alleged that the failure of the Missouri Commission to authorize the same increases in freight rates on coal, cinders, clay, sand, gravel and crushed stone as authorized by the Interstate Commerce Commission in its Dockets Ex Parte No. 175 and Ex Parte No. 196, has cast an undue transportation burden on interstate traffic and unlawfully prejudices interstate shippers and localities and requested that the federal commission fix the Missouri intrastate rates under its powers contained in Section 13(4) of the Interstate Commerce Act. On the above-stated commodities the Missouri Commission permitted a six percent increase rather than

12 percent as authorized in Ex Parte No. 175, and, with the exception of coal, authorized no increase corresponding to the six percent increase in Ex Parte 196. It will be some months before this complaint can be disposed of.

Rail carloadings in 1955 exceeded those of 1954 by about 12 percent and were about six percent over those in 1953. For the first six months of 1956 carloadings were six percent over those for the same period in 1955 and almost 15 percent more than for the same months in 1954. Despite the high volume of business, the net income of the railroads is not what the management believes it should be, and there have been recent reports that further increases in the railroad freight rates are being considered.

By tariff schedules filed to become effective May 1, 1956 on interstate traffic, and May 15, 1956 on Missouri intrastate traffic, railroad passenger fares were increased by five percent. This was the first general increase in rail fares since February 15, 1948, although as we have previously reported the Missouri Pacific Railroad increased most of its fares by 10 percent in August 1953. Rail fares are now on the approximate basis of 2.625 cents a mile in coaches and 3.675 cents a mile in sleeping and parlor cars. The fares of the Missouri Pacific Railroad are approximately 2.89 cents a mile for coach travel and about 4.04 cents a mile for first-class travel. Despite such increases in fares passenger service continues

to be operated at a deficit.

Also effective May 1, 1956, pullman and parlor car fares were increased by $7\frac{1}{2}$ percent. This increase was made effective by the filing of new tariff schedules on which no complaint was made and which were permitted to become effective without hearing.

Truck rates and operations

There were no general increases in truck rates in the past year. In a number of instances the truck operators increased commodity rates on rail competitive traffic to keep in line with the six percent increase in rail rates. These increased rates were filed by the motor carriers and permitted to become effective without hearing.

Nationally the volume of intercity freight transported by truck during 1955 was up 10.6 percent over the prior record year of 1953 and 15.2 percent over 1954. Thus in 1955 the trucking industry resumed the trend of an annual increase in tonnage hauled over each previous year. As stated in our last report the year 1954 was the first year since 1945 that the trucking industry failed to show a gain in tonnage over the previous year.

During the first quarter of 1956 intercity truck tonnage exceeded the previous record first quarter of 1955 by

7.9 percent. Intercity truck tonnage in the second quarter of 1956 exceeded the second quarter of 1955 by 5.6 percent, also establishing a new high for the second quarter.

Intercity bus fares and operations.

The tremendous increase in number and use of automobiles continues to adversely affect bus patronage. The level of bus fares has been held down to some extent by the rail fare level, and most of the companies have found it necessary to reduce operating costs by elimination of their most unprofitable schedules. Some small operators have found it necessary to discontinue service altogether.

Following the increase in rail passenger fares that became effective May 15, 1956, bus operators also increased their passenger fares generally by six percent in schedules filed on statutory notice and which were permitted to become effective without hearing on May 25, 1956. In applying the six percent increase the resulting fares were further increased where necessary to make them end in "0" or "5". Excluding the six percent increase, bus fares are computed on the basis of 2.5 cents a mile up to 50 miles; ~~2.4~~ cents a mile from 51 to 100 miles;

2.3 cents a mile from 101 to 200 miles; and 2.2 cents a mile over 200 miles. The minimum fare is generally 30 cents.

Transit fares and operations

Patronage of the transit companies continued to decline during the past year and operating costs have remained at a high level. Increases were experienced in many cost items. The number of automobiles on the streets continues to plague transit companies by not only reducing the ~~number~~ of their patrons but also slowing service for the remaining riders. These factors make it an increasingly more difficult problem for the transit companies to provide good service and yet earn a reasonable return for their investors. Despite fare increases that have been allowed the companies have found it necessary to reduce service on many line in an effort to cut operating costs.

By tariff schedules issued under authority of an Order of the Commission dated July 20, 1955 in Case No.13,151, the Kansas City Public Service Company changed the price of its weekly permit from \$1.25 to 90 cents and increase the price per ride for the permit holder from 5 cents to 10 cents. At the same time it eliminated the token rate of four for 75 cents and increased the fare for high school students from 10 cents to 15 cents. By schedules effective February 9, 1956, which were issued under authority of an Order dated February 3, 1956

in Case No. 13,151, the company instituted a 2-cent charge for each transfer and in an effort to attract additional short-haul riders established a reduced fare of 10 cents a ride in the downtown area. At the time these fare changes were made it also changed its fare collection procedure on outbound trips from the downtown area so that passengers would pay on leaving the vehicle rather than when entering. This change in the fare collection procedure was instituted to facilitate the collection of the reduced 10-cent fare in the downtown area and also because it would tend to speed the flow of vehicles through the congested downtown district. The basic cash fares were not changed during the year. The cash fare is 20 cents for adults and 10 cents for children.

During the past year no change was made in the fares of the St. Joseph Light and Power Company which operates the transit service in St. Joseph, Missouri. The adult fares in St. Joseph are 15 cents cash, three tokens for 40 cents, and a 90-cent weekly permit, plus 5 cents a ride, a 50-cent student weekly permit plus 4 cents a ride and a children's cash fare of 5 cents.

At the beginning of the period covered by this report the fare structure of the St. Louis Public Service Company included a 20-cent adult cash fare and a 10-cent fare for children. The structure also included a 75-cent weekly permit

which was good for unlimited riding upon payment of 10 cents a ride. For riding on express lines a premium of 5 cents over the basic local fares was collected. Also available was a weekly express permit for \$1.00 which was good for unlimited riding on either the local or express lines upon payment of 10 cents a ride. Passengers crossing certain zone boundaries paid an additional fare of 5 cents on both local and express lines. A student weekly pass was sold for \$1.00.

By a schedule filed on statutory notice to be effective January 1, 1956, the company proposed to increase the price of the weekly permit from 75 cents to \$1.00 and the express weekly permit from \$1.00 to \$1.25. No change was proposed in the 10 cents per ride charge. The schedule also proposed to increase the student weekly pass from \$1.00 to \$1.25. The proposed schedule was suspended by the Commission and, after a hearing the Commission issued an Order dated February 24, 1956 in Case No. 13,281, authorizing the company to increase the regular weekly permit to 90 cents and the express permit to \$1.15 but did not approve the increase of the price of the student weekly pass. No other changes were made in the fare structure.

Railroad mileage

Class I rail carriers serving Missouri reported 11,271 miles of track as of December 31, 1955, as compared to a total of 11,248 miles as of December 31, 1954. The increase in track

miles was due entirely to the construction of a new way and yard switching tracks, passing tracks, crossovers and turnouts. The main line track mileage was reduced by about 17 miles from the total reported a year ago, which reduction was due primarily to the abandonment by the Chicago, Burlington and Quincy Railroad of about 13 miles of track between Billbey Switch and Clearmont, Missouri, on April 1, 1955.

There was no change of consequence in miles of track in the street railway system of the St. Louis Public Service Company but the Kansas City Public Service Company track mileage was reduced by the abandonment of almost 7 miles of track on its 31st Street line from Main Street to and including the loop at 31st and Hardesty on October 2, 1955, and about 0.6 mile of track on 8th Street from Grand to Troost.

There was no change in the miles of track operating by the small railroads. In this report we are not able to include the miles of track operated by the switching and terminal companies in Missouri, as we have in the past reports, for the reason that these companies are no longer required to report such information. However, we are aware of no substantial addition or abandonment of track facilities operated by the switching and terminal companies.

The following table shows the rail mileage in Missouri operated by the various companies as of December 31, 1955.

RAIL MILEAGE OPERATED IN MISSOURI AS OF DECEMBER 31, 1955

CLASS I RAILROADS	Main Line Tracks	Second Main Tracks	Other Main Tracks	Passing Track Cross- overs Turnouts	Way and Yard Switching Tracks	TOTALS
A.T. & S.F. RY.CO.	308.17	199.29	26.54	54.04	72.53	660.57
C.B. & Q. RR. CO.	1342.42	134.70	-	135.16	342.93	1955.21
C.G.W.RY. CO.	101.22	3.61	-	11.76	32.75	149.34
C.M.St.P. & P.RR.CO.	154.56	56.77	12.45	35.04	98.68	357.50
G.R.I. & P.RR.CO.	509.88	70.41	27.60	54.18	126.85	788.92
G.M. & O.RR. CO.	254.01	19.72	9.12	47.20	51.29	381.34
I.T.RR. CO.	2.72	2.54	-	-	9.07	14.33
K.C.S. RY. CO.	199.59	10.33	-	40.94	137.82	388.68
M.-I. RR. CO.	89.04	-	-	6.32	30.46	125.82
M.-K.-T. RR. CO.	469.86	28.29	-	62.28	99.97	660.40
MO.PAC. RR. CO.	1422.26	222.53	3.29	183.68	539.43	2371.19
St.L.-S.F. RY. CO.	1444.31	32.76	-	172.98	405.84	2055.89
St.L. S.W. RY. CO.	220.90	19.96	-	21.52	52.69	315.07
U.P. RR. CO.	2.16	1.54	-	5.96	16.16	25.82
WABASH RR. CO.	629.55	81.83	13.31	93.78	203.26	1021.73
TOTALS	7150.65	884.28	92.31	924.84	2219.73	11,271.81

STREET RAILWAYS

Kansas City Public Service Co.	38.12	30.70	-	5.66	7.27	81.75
St. Louis Public Service Co.	54.37	54.37	-	13.51	9.97	132.22
TOTALS	92.49	85.07	-	19.17	17.24	213.97

SMALL RAILROADS

Bevier & Southern Railroad Co.	14.40
Cassville & Exeter Railway Co.	4.70
Hannibal Connecting R.R. Co.	7.06
Kansas City Connecting R.R. Co.	4.73
Missouri & Illinois Bridge & Belt R.R. Co.	5.51
St. Louis & Troy Railroad Co.	5.20
St. Francois County Railroad Co.	9.74
TOTAL	51.34

BUS AND TRUCK DEPARTMENT

The Bus and Truck Department of the Missouri Public Service Commission on June 30, 1956, consisted of a Supervisor, a Chief Clerk, five clerks and Stenographers and eight District Inspectors.

This Department continued to be of service to the general public on all transportation problems involving common carriers or contract carriers of persons and property operating for hire upon the Highways of Missouri.

In the past few years Public Service Commission authorized carriers had only a minimum of complaints filed against them in regard to poor service, or improper charges. In fact the compliance of all requirements of the Missouri Public Service Commission Rules and Regulations was very good by all certificated carriers from July 1, 1955, to June 30, 1956.

The Inspection Division again offered and received full cooperation from the Missouri State Highway Patrol. The Bus and Truck Inspectors were busy making investigations of suspected violations of the Missouri Bus and Truck Law and many truck operators were given information as to the procedure for securing authority by common carriers and contract carriers. Many of these truckers were of the opinion that their operation was exempt from the provisions of the above mentioned law.

The enlargement of the Missouri State Highway Patrol allowed a certain number of Troopers and the Weight Inspectors to specialize on the enforcement of all laws involving the operating of commercial vehicles.

The specializing on this enforcement program brought in an additional amount of revenue to this Department because of the Patrol being more observant in their checking commercial motor vehicles and to the necessity of proper license plate tags and the P.S.C. Annual License Stickers, etc.

The Missouri Public Service Commission in the past year issued a large number of authorities to Interstate Carriers that were exempt from the provisions of the Interstate Commerce Commission Act. Most of these authorities did not bring in revenue due to the reciprocity agreements that the State of Missouri has with twenty-five other States. This Department was being flooded with correspondence and telephone calls concerning requirements of common carriers of bulk commodities by dump trucks and by livestock market to market haulers. At this writing we have not issued many of the dump truck or livestock authorities, however, there is a strong indication that there will be a heavy docket of the latter carriers in the rest of the months of this year.

It was not possible for the clerical staff to micro-

film the records of this Commission as was done the past two years due to the addition work load caused by the requests for information regarding the securing of authority by various types of carriers. One stenographer was added to the office force so that the extra work could be handled on a current basis.

If and when this heavy work load returns to normal this Department will continue to assist the Commission in micro-filming the records and thereby save the State of Missouri storage space that can be utilized for other purposes.

This Department has always had as its main objective, "Prevention of accidents on the Missouri Highways". Strict compliance of the "Safety Rules" of the Missouri Bus and Truck Law, General Order No. 33-C, is constantly being checked by the Inspection Division and by the Troopers and Weight Inspectors.

These checks for compliance of Rule No. 56 include:

1. Brakes - Service and Hand
2. Steering Mechanism
3. Lighting Devices
4. Tires
5. Horn
6. Windshield Wipers
7. Rear Vision Mirror
8. Speedometer
9. Coupling Devices.

The following emergency equipment is also checked:

(A) Fire Extinguisher

(B) Spare Bulbs and Fuses

(C) 3-Flares (Pot torches or 3 red electric lanterns
or 3 red emergency reflectors)

(D) Fuses

(E) 2 Red Cloth Flags.

Buses in addition to above should have one hand axe
and one heavy duty First Aid Kit.

Friendly advice is given to the Truck Driver for the
compliance of all Motor Vehicle Laws, as well as the Bus and
Truck Law, pertaining to the operation of a commercial motor
vehicle on the Highways of Missouri.

Each year since 1952, this Department has shown a
substantial increase in revenue collection. Last year we col-
lected \$42,695.00 more than the previous year. We predicted a
gain of \$25,000.00 or more for this year, however, on final
tabulations we find that the gain over last year will exceed
\$100,000.00. The 1954-55 collection was \$371,075.00 and this
year it was \$480,369.00. We anticipate another increase for
the coming year due to the expected increase in dump truck
operators. One other cause of the increase in collections for
this year was the cancellation of the reciprocity agreement
between the States of Missouri and Illinois. Previous to that

time we were forced to cancel our agreements with the States of New York, Ohio, and North Dakota because of those States adding a third structure tax in the last two years and which nullified the reciprocal agreements.

We still have reciprocity agreements with twenty-five States that this Commission waives all regulatory fees provided the vehicles to be operated into and through the State of Missouri, are fully and properly licensed in their home State.

One other deterring factor in making a prediction of anticipated revenue collection is the undetermined effect of the Legislature either making further exemptions or the eliminating of exemptions in the Missouri Bus and Truck Law and General Order No. 33-0. If the exemptions are broadened we will collect less revenue, and if the exemptions are eliminated or tightened we will collect more.

The following tabulations show the amount of revenue collected from motor carriers for the twelve months period from July 1, 1955, to June 30, 1956.

FEEES

	COMMON	CONTRACT	DRIVEAWAY	BUS
July, 1955	\$ 9,000.00	\$ 725.00	\$	\$ 175.00
August, 1955	9,450.00	725.00		125.00
September, 1955	11,815.00	601.00	250.00	350.00
October, 1955	10,316.00	2,227.00		308.00
November, 1955	11,148.00	1,230.00		489.00
December, 1955	4,295.00	1,777.00		76.00
January, 1956	213,853.00	49,000.00	8,575.00	17,875.00
February, 1956	26,187.00	3,505.00	125.00	658.00
March, 1956	20,772.00	4,357.00		327.00
April, 1956	22,127.00	2,978.00	200.00	579.00
May, 1956	19,599.00	704.00	25.00	350.00
June, 1956	21,352.00	1,611.00	75.00	453.00
TOTALS	\$379,914.00	\$69,440.00	\$9,250.00	\$21,765.00
Grand Total	\$480,369.00			

COMMON CARRIERS ---TRUCK

Intrastate

Regular Routes	9
Irregular Routes	421
Regular and Irregular Routes	21
	451

Interstate

Regular Routes	14
Irregular Routes	1449
Regular and Irregular Routes	<u>39</u>
	1502

Intrastate and Interstate

Regular Routes	6
Irregular Routes	148
Regular and Irregular Routes	<u>152</u>
	306

TOTAL - 2259

CONTRACT CARRIERS---TRUCK

Intrastate

Regular Routes	8
Irregular Routes	37
Regular and Irregular Routes	<u>2</u>
	47

Interstate

Regular Routes	7
Irregular Routes	237
Regular and Irregular Routes	<u>3</u>
	247

Intrastate and Interstate

Regular Routes	0
Irregular Routes	44
Regular and Irregular Routes	<u>5</u>
	49

TOTAL - 343

COMMON CARRIERS---BUS

Intrastate

Regular Routes	20
Irregular Routes	0
Regular and Irregular Routes	<u>6</u>
	26

Interstate

Regular Routes	2
Irregular Routes	39
Regular and Irregular Routes	<u>1</u>
	42

Intrastate and Interstate

Regular Route	9
Irregular Route	2
Regular and Irregular Routes	<u>17</u>
	28

TOTAL - 96

CONTRACT CARRIERS----BUS

Intrastate

Regular Routes	2
Irregular Routes	0
Regular and Irregular Routes	<u>0</u>
	2

TOTAL - 2